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THE SECRETARY OF DEFENSE
WASHINGTON, THE DISTRICT OF COLUMBIA

I-94/18035

MEMORANDUM FOR SECRETARY OF THE ARMY
SECRETARY OF THE NAVY
SECRETARY OF THE AIR FORCE

SUBJECT: U.S.-China Military Relationship (U)

(S) The Department of Defense had a robust military relationship with the People's Liberation Army (PLA) in the mid-80s. That relationship halted abruptly in June 1989. Now that it has been revived, I want to use this opportunity to give you my views on where we are now going with the PLA.

(S) Since the Tiananmen crackdown of 1989, there has been a dramatic change of the global strategic situation, and last year, the President decided on a comprehensive engagement policy with respect to China, and that policy includes the resumption of military contacts. The MFN renewal this spring reaffirmed this policy.

(S) The rationale is that China is fast becoming the world's largest economic power, and that combined with its UN PermFive status, its political clout, its nuclear weapons and a modernizing military, make China a player with which the United States must work together. Our security posture dramatically improves if China cooperates with us. In order to gain that cooperation, we must rebuild mutual trust and understanding with the PLA, and this could only happen through high level dialogue and working level contacts. I should note that arms sales are not contemplated at this time, and we will raise human rights concerns even in high level military discussions.

(S) Last November, Assistant Secretary Chas Freeman went to China to re-open senior level defense dialogue, and former Under Secretary Frank Wisner visited Beijing this March. Earlier this month, Admiral Chuck Larson had a very successful trip to China. I am now planning to go to China in early fall. Next month, PLA Senior Deputy Chief of General Staff General Xu Huizi is scheduled to visit the U.S. Since he is the first PLA leader to visit the U.S. since 1989, I would hope that all Services provide the appropriate reception for General Xu.

(S) The military relationship with China could pay significant dividends for DoD. Let us proceed in a forward-looking, although measured, manner in this important relationship.

cc: Chairman, Joint Chiefs of Staff

William Perry

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